

SETTLEMENT AGREEMENT

This Agreement is made by and between Paul Smith's College of Arts and Sciences of Paul Smiths, New York (OPE ID # 00279500) (Paul Smith's College) and the United States Department of Education (Department), Federal Student Aid (FSA), acting through its Director, Administrative Actions and Appeals Service Group, and is effective the latest date opposite the signatures below.

A. On April 9, 2010, the Department sent a letter to Paul Smith's College informing the institution that the Department intended to impose a fine of \$260,000 (hereafter "the proposed fine action") based on the Department's findings that Paul Smith's College had failed to comply with the requirements of the Jeanne Clery Disclosure of Campus Security Policy and Campus Crime Statistics Act (the Clery Act) included in §485(f) of the Higher Education Act of 1965, as amended. Under the Clery Act, institutions of higher education are required to report accurate and complete campus crime statistics to the Department and to the institution's students and their parents. The Clery Act also requires institutions to establish and maintain certain procedures and records.

B. The proposed fine was based on the results of a Final Program Review Determination (FPRD) issued by FSA and dated November 7, 2008. The FPRD concluded that Paul Smith's College had violated the Clery Act by: failing to report accurate and complete crime statistics for certain years; failing to include certain required campus crime policy statements in the Annual Security Report; failed to distribute the Annual Security Report in accordance with the Department's regulations; and failed to properly maintain a campus crime log. The FPRD also concluded that Paul Smith's College lacked administrative capability as required by the Department's regulations.

C. In accordance with the Department's regulations, Paul Smith's College appealed the proposed fine action and requested a hearing on April 16, 2010. The appeal was assigned to the Department's Office of Hearings and Appeals and docketed as In the Matter of Paul Smith's College of Arts and Sciences, Docket No. 10-19-SF. FSA and Paul Smith's College filed briefs in accordance with the briefing schedule.

D. Paul Smith's College and the Department have now agreed to resolve the proposed fine action without any further administrative procedures.

E. Nothing in this Agreement shall constitute an admission of liability or wrongdoing by Paul Smith's College. Paul Smith's College cooperated fully with FSA during its investigation, and has implemented corrective measures based upon the Department's findings.

In consideration of the mutual covenants and conditions contained in this Agreement, and intending to be legally bound, the parties agree as follows:

1. Paul Smith's College agrees to pay \$195,000 to the Department to resolve the proposed fine action. Paul Smith's College will present a check for \$195,000 to the Department with duplicate originals of this Agreement signed by an authorized official of Paul Smith's College.

2. Paul Smith's College hereby withdraws its appeal of the proposed fine action. The Department and Paul Smith's College agree that the proposed fine action is fully resolved. The parties agree to file a motion to dismiss the pending appeal upon full execution of this Agreement and the Department's receipt of Paul Smith's College's payment under this Agreement.

3. The Department agrees not to initiate any further administrative action against Paul Smith's College based on the findings included in the FPRD issued on November 7, 2008.

4. Paul Smith's College agrees to take appropriate action to fully comply with the Clery Act and ensure that all future Clery Act reports are accurate and complete.


5. This Agreement does not waive, compromise, restrict, or settle:

a. Any past, present, or future violation of the criminal or civil fraud laws of the United States.


b. Any presently pending or future action taken by the United States under the criminal laws or civil fraud laws of the United States. The Department is not aware of any such actions pending against Paul Smith's College based on the issues addressed in the FPRD and this Settlement Agreement.

Paul Smith's College and the Department each warrant that the undersigned representative is authorized to sign this Agreement on its behalf.

Dated: 3/29, 2011


Name: John Mills, Ph.D.
Title: President
for Paul Smith's College of Arts and Sciences

Dated: 4/14, 2011


Mary E. Gast
Director, Administrative Actions
and Appeals Service Group
Federal Student Aid
for the United States Department of Education